

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

John P. Ferrari, as Co-Trustee of the
John P. Ferrari and Jeani Ferrari Family
Trust Dated June 24, 1982,

Complainant,

vs.

Meadowbrook Water Company of
Merced, Inc. (U204W),

Defendant.

Case 14-02-005
(Filed February 25, 2014)

ORDER EXTENDING STATUTORY DEADLINE**Summary**

This decision extends the statutory deadline in this proceeding to November 25, 2015.

Background

Pub. Util. Code § 1701.2(d) provides that adjudicatory matters such as this complaint case shall be resolved within 12 months after they are initiated, unless the Commission makes findings why that deadline cannot be met and issues an order extending the 12-month deadline. In this proceeding, the 12-month deadline for resolving the case is February 25, 2015.

On January 31, 2008, Meadowbrook Water Co. of Merced, Inc. (Meadowbrook) submitted to the Commission its Advice Letter No. 50-W and

subsequently, on April 22, 2008, submitted to the Commission its Advice Letter No. 50-W-A (collectively, the 2008 Advice Letters). The 2008 Advice Letters purported, among other things, to expand Meadowbrook's service territory to include certain lands in Merced County, near the City of Atwater (City), including real property known as Ferrari Ranch. Ferrari Ranch is owned by the John P. Ferrari and Jeani Ferrari Family Trust, Dated June 24, 1982. Complainant John P. Ferrari (Ferrari) is the co-trustee of the John P. Ferrari and Jeani Ferrari Family Trust. By letter dated April 23, 2008, the Commission informed Meadowbrook that it had filed the 2008 Advice Letters and given them an effective date of April 22, 2008.

This complaint was initiated by Ferrari on February 25, 2014. The complaint alleges, among other things, that Meadowbrook's 2008 Advice Letters had not been properly served on property owners – including Ferrari – and other entities as required by the Commission's regulations. The complaint further alleges that Ferrari had not, until years after their submission to the Commission, received notice of the 2008 Advice Letters which purported to include Ferrari Ranch within the Meadowbrook service territory. The complaint requests certain relief from the Commission including an order from the Commission revoking the approval of the 2008 Advice Letters and reverting Meadowbrook's service territory to the boundaries existing prior to the submission of the 2008 Advice Letters. On April 21, 2014, Meadowbrook timely filed an answer to the complaint.

Procedural History

A prehearing conference (PHC) was held on June 24, 2014, before Administrative Law Judge (ALJ) Linda Rochester. At the PHC, an attorney for the City appeared and requested that the City be granted status as an interested

party in the proceeding. The City stated that it had not received notice of the 2008 Advice Letters, that Ferrari Ranch was in the City's water service territory and that the City planned and intended to annex Ferrari Ranch into the City and provide domestic water service to Ferrari Ranch once it is developed. The ALJ granted the City's request.

Subsequent to the PHC, the parties commenced discussions regarding settlement of the complaint. These discussions included one session with a Commission-assigned mediator. On January 20, 2015, parties filed a joint motion requesting an extension of the 12-month deadline for nine months, until November 25, 2015 (Joint Motion). According to the Joint Motion, parties have reached settlement and executed an agreement that settles the disputes among the parties regarding Meadowbrook's service territory. The settlement agreement provides that the complaint shall be withdrawn but such withdrawal is contingent upon the approval by the Commission of a new Meadowbrook advice letter. The settlement recognizes that if the new advice letter is not approved, Ferrari and the City may resume pursuing the complaint.

Discussion

There is a public policy favoring the settlement of disputes to avoid costly and protracted litigation.¹ In this case, implementing the terms of the settlement agreement reached by the parties will take several months and, as a result, it is not possible to resolve this case within the one-year period provided in Pub. Util. Code § 1701.2(d). Under all the circumstances of this case, we believe that a nine month extension of time, until November 25, 2015, should be sufficient to

¹ D.88-12-083, 30 CPUC2d 189, 221.

allow for the filing, consideration, and possible approval of the advice letter filing required by the settlement agreement, and the eventual withdrawal of the complaint or determination that hearings should go forward.

Waiver of Comments on Proposed Decision

Under Rule 14.6(c)(4) of the Rules of Practice and Procedure, the Commission may waive the otherwise applicable 30-day period for public review and comment on a decision that extends the 12-month deadline set forth in Pub. Util. Code § 1701.2(d). Under the circumstances of this case, it is appropriate to waive the 30-day period for public review and comment.

Assignment of Proceeding

Catherine J.K. Sandoval is the assigned Commissioner and Gerald F. Kelly is the assigned ALJ in this proceeding.

Findings of Fact

1. The complaint in this case was filed on February 25, 2014.
2. An extension of time until November 25, 2015 should be sufficient to allow for the filing, consideration, and possible approval of the advice letter filing required by the settlement agreement, and the eventual withdrawal of the complaint or determination that hearings should go forward.

Conclusions of Law

1. Implementing the terms of the settlement agreement reached by the Parties, upon which withdrawal of the complaint is contingent, will take several months. As a result, it is not possible to resolve this case within the one-year period provided in Pub. Util. Code § 1701.2(d).
2. The 12-month statutory deadline should be extended for nine months to allow for resolution of this proceeding.

O R D E R

IT IS ORDERED that that the 12-month statutory deadline in this proceeding, February 25, 2015, is extended to and including November 25, 2015.

This order is effective today.

Dated _____, at San Francisco, California.